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17 Oct 62

Agreement Between  
Secretary of Defense and the Director of Central Intelligence  
on  
National Reconnaissance Planning and Operations

Definitions:

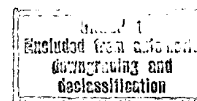
- NRPG - National Reconnaissance Planning Group
- NRP - National Reconnaissance Program, to consist of all overt and covert satellite and overflight projects for intelligence, geodesy and mapping photography and electronic signal collection
- NRO - National Reconnaissance Office
- DNRO - Director, National Reconnaissance Office

Responsibilities:

The National Reconnaissance Planning Group (NRPG), consisting of the Secretary of Defense and the Director of Central Intelligence, is responsible for providing policy and program guidance and managerial direction for the National Reconnaissance Program (NRP) and for making final determinations in connection therewith which do not require the exercise of higher authority. The Secretary of Defense, as ~~Executive Agent~~ Executor, is responsible for implementing plans and policies developed by the NRPG, and for that purpose has established a National Reconnaissance Office (NRO) to manage and conduct the NRP in such manner as to insure the most effective utilization of the particular talents, experience, and capabilities within the Department of Defense and the Central Intelligence Agency. The Secretary of Defense, with the concurrence of the Director of Central Intelligence, designates the Director of the National Reconnaissance Office (DNRO), who is responsible for the operation of that office in accordance with the following terms and conditions:

NRO review(s) completed.

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1. Requirements and Priorities:

The NRO will be directly responsive to, and only to, the photographic and electronic signal (SIGINT) collection requirements and priorities established by the United States Intelligence Board and will develop the over-all reconnaissance program to satisfy these requirements.

2. Management:

a. The technical management responsibility for all the NRP is assigned to the DNRO. Under this over-all responsibility for NRP, DNRO will utilize existing resources in the following manner:

(1) CIA will be the Executive Agent for DNRO for those ~~overt projects already under its management and such additional~~ covert projects as are assigned to it by the MRPC.

(2) To provide for full use of available capabilities and resources, and to provide for interface with data exploitation equipment development by agencies outside the NRO, personnel of Army, Navy, Air Force, and CIA, will be assigned on a full-time basis, to appropriate positions within the NRO under the DNRO.

(3) A firm liaison channel between the NRO and the NSA will be established as an adjunct to the technical management structure of signal collection projects, and the conduct of such projects carried out in accordance with the exploitation responsibilities of the NSA.

(4) Planning will encompass maximum utilization of the technical and operational resources of the DOD, the Army, Navy, Air Force, NSA, and the CIA to support all collection programs, including, but not limited to, electronic signal and photographic collection programs.

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b. Financial Management:

25X1 (1) The DNRO will be responsible for review and approval  
NRO of the total NRP budget.

[redacted] For those covert projects for which it has management responsibility under paragraph 2.a.(1) above, CIA will normally include funds in its regular appropriations. If funds are required in addition to such appropriations, NRPG, with the approval of the Bureau of the Budget, may authorize transfers of appropriate amounts from DOD to CIA. In the event it is assigned such projects prior to obtaining such appropriations, initial funding may be by transfer of such funds from DOD to CIA as NRPG with the approval of the Bureau of the Budget may direct, subsequent funding to be obtained by CIA through normal appropriation channels. On those projects where CIA acts as procurement agent for NRO, the funds will be advanced or reimbursed by DOD to CIA in accordance with the principles of the Economy Act.

The National Reconnaissance Office will budget and administer all reconnaissance programs which are the responsibility of that office. In order to provide effective budgeting, justification and fund administration, the following procedures are established:

(1) Budget Formulation:

(a) Prepare and present budgets for review to the National Reconnaissance Planning Group. In this connection, and based on CIA's responsibility for contracting and procurement, cost quotes and contractor estimates will be jointly reviewed by representatives of the NRO and the CIA. Upon completion of this review, the DNRO will present the budget to the NRPG for review and approval on a specific project basis.

(b) After approval by the NRPG the budget will be presented to the Bureau of the Budget by the Comptroller, NRO.

25X1 (c) After approval by the Bureau of the Budget and  
NR subsequent approval for the President's Budget,  
O [redacted] in the accepted manner approved by  
the Comptroller, OSD.

(2) Budget Presentation:

(a) The Director, NRO will present the total NRO budget as provided within the President's Budget to specifically designated members of the Armed Services and Appropriation Committees of Congress.

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(b) The Director, NRO will present the budget as an entity and identify the respective Executive Agency functional projects.

(c) The Director, CIA in his budget presentation to the CIA committees will present his budget estimate and will identify those projects for which he is Executive Agent to the NRO, and which are to be financed from NRO resources, as memo non-add items in his budget. In this manner the CIA committees will have knowledge of all the activities that the CIA is engaged in and this indication will also provide justification for the overhead portion of the CIA budget.

(d) The Director, NRO in his budget justification will utilize the Deputy Director (Research), CIA as a technical back-up witness.

(3) Budget Execution:

(a) Congress will appropriate funds for the NRO

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(b) Projects as approved by the NRPNG will be assigned in specific amounts to Executive Agents.

(c) Funds to accomplish these projects will be transferred to the Central Intelligence Agency and will be made available to Navy and Air Force Executive Agents on a specific project basis, with direction as to management control and flexibility between projects and within projects.

(d) The Comptroller, NRO will be provided fiscal status reports and technical progress reports in order that management measurements and analyses can be accomplished for review by the Director, NRO.

3. Contracting:

(2)-DNRO will have responsibility for all NRP contracts in accordance with the assignment of technical management responsibility in paragraph 2.a. Consistent with paragraph 2.a.(1), CIA will be the Executive Agent of the DNRO, responsible for administering procurement and contracting for covert projects for which it is assigned responsibility under paragraph 2.a.(1), and for covert contracting necessary for the support of overt projects.

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4. Security:

In accordance with the basic responsibility of the Director of Central Intelligence for protection of intelligence sources and methods, CIA will establish security policy for the NRP, including provision for a uniform system of security control and appropriate delegations of security responsibility.

5. Operations:

a. Scheduling: The mission schedule for all NRP efforts will be the sole responsibility of DNRO, subject to coordination with CIA on covert project for which it is Executive Agent and the obtaining of appropriate clearances where required from higher authority. Operational control for individual projects under the NRP will be assigned to the DOD or to the CIA by the DNRO in accordance with policy guidance from the NRPG. DNRO will be responsible to assure that mission planning will make full use of all intelligence available in the community.

b. Format: The DNRO will be responsible for the format of the collected NRP product as follows:

(1) Photographic format will include the initial chemical processing, titling, production and delivery to the users as specified by the USIB.

(2) Electronic signal data format will include the decommutation, conversion, technical correction and reconstruction of the collected signal data to yield a usable collection product. DNRO will deliver the collection product in proper format together with associated data necessary for exploitation, to the NSA or other user as specified by the USIB.

c. Engineering Analysis: The DNRO will be responsible for engineering analysis of all collection systems to correct the problems that exist on the operating system as well as to provide information for new systems. In connection with covert projects for which CIA is Executive Agent, this responsibility will be carried out under the supervision of in conjunction with CIA.

6. The DNRO is responsible for advanced plans (post DY-1962) in support of the NRP. In view of the DCI's major responsibility to the NSC for all intelligence programs, all NRO advanced planning will be coordinated with CIA.

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7. Public releases of information will be the responsibility of the DNRO subject to the security guidance of CIA.

8. The Deputy Director (Research), CAI, will be responsible for seeing that the participation of CIA in this Agreement is carried out.

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John A. McCone  
Director of Central Intelligence

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Roswell L. Gilpatric  
Deputy Secretary of Defense

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November 23, 1962

MEMORANDUM FOR THE DEPUTY SECRETARY OF DEFENSE

Reference is made to the attached letter from Mr. McCone to Mr. Bell, outlining procedures to govern CIA's responsibility for funding covert projects for which it has management responsibility under the NRO agreement.

My October 17, 1962 memorandum to you discusses the points raised by Mr. McCone in some detail. However, briefly, Mr. McCone again proposes to budget for those programs which are the responsibility of the NRO; to justify the amounts in their budget submission to Congress; and to have full fund control over amounts contained in their budget. This, in effect, gives the DNRO a financial function in advance budget planning but not a responsibility for financial control and administration of the National Reconnaissance Program. The points raised here appear to me to be fundamental. Either the DNRO has financial control and, hence, possesses the essential management tools required or the NRO becomes a "paper concept". In Mr. McCone's proposal, it's financial responsibilities appear to be limited to an initial justification to the Bureau of the Budget that the CIA and DOD requests in this area are compatible and complimentary. If the NRO is to function, it must be responsible for continuous monitoring of financial and technical status of programs, it must control release of funds to programs and it must be able to reallocate funds as necessary and desirable between programs comprising the total NRP. It is noteworthy in this connection that in the last couple of years, the Agency programs have depended in large measure on the transfer of significant budget resources from the Air Force to the Agency.

With respect to the current fund problem, it is true that no funds have actually been issued although the NRO Comptroller has advised the CIA that funds are available for approved programs and has also advised them of the amounts which would be released at this time. No action to request transfer of these amounts has been taken by CIA. This, I believe, is because the Agency desires the release of all funds without restriction. I am prepared to release funds only as requested and justified and I believe the Bureau of the Budget is sympathetic to this position. In this respect I am advised by my Comptroller that CIA is utilizing other funds to finance contractual documents under the responsibility of the NRO and that at the present time they are in a deficiency position. My Comptroller has notified the CIA Comptroller that if funds are not requested on Form 1080's by November 26th, the interim Joint Resolution Authorization will be withdrawn. The CIA may find itself in a highly vulnerable position as to violations of financial procedures for Government operations.

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downgrading and  
declassification



I am most anxious to place the operation of the total program on a sound management and fiscal basis, but this is impossible unless financial control is retained by the DNRO and this fundamental principle is recognized by the CIA.

Joseph V. Charyk  
Director  
National Reconnaissance Office

cc: SecDef

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